(1943) Department

Ms SERIES.

G.O. No. 1395

Dated 15-7-43

[Despatch Abstract.]

Electricity - Ballary Electric Licence - Accounts for 1941- Recorded with remarks.

R 58
3-4-43

Bellary Municipal Electric Licence

Audit report on the accounts of the/~~Bellowan Bellary District~~

for the year 1941--42.

Name of auditor:- Sri T.K.Eswarier, District Inspector of Local Fund Accounts.

Time taken for audit: The final audit was completed on 29th January 1943.

~~The opening bala~~ The office of Commissioner was held by Sri.C.Venkatadri Chowdary from 1st April 1941 to 1st August 1941 an by Sri.M.S.Lakshmanan, L.M. & S., Municipal Health Officer, from 2nd August 1941 to 20th August 1941 and by Sri.A.Raghava Reddy fro 21st August 1941 to 31st March 1942.

2. The Annual Statement of accounts for the year is appended.

3. The more important irregularities are detailed below. Irr gularities of a minor nature are detailed in the Annual objection statement which should be treated as part of this report.

4. Pending objections of the previous year's report:-

(1) Paragraph 5(c) of the audit report for 1940--41.

The tender invited in this case was for supply of 25 rails 24' long and 40 to 45 lbs. section. Messrs. Parry and Sons quote a rate of Rs.19/- per piece for 40½ lb. section, f.o.r. Bellary, but stipulated that the entire supply of 25 rails could be made at the rate quoted, only if taken in one lot, owing to the smallness of the number required. The offer of Mr.Ramasamy at Rs.21-12-0 per piece was accepted rejecting the lower tender of Messrs.Parry & sons. The recorded reasons for rejecting the lower offer was tha the quotation was for 41½ lb. section, which is lower than the use 45 lb. section used for electric poles and that the other is for taking the one lot and also subject to prior sale. If the speci section required was of 45 lb. section, it should have been so stat in the first instance itself. Having invited quotation for supp of rails of 40 to 45 lbs. section, to go back upon it, at the time of disposal of the tender cannot be said to be in order.

While the offer of 25 pieces in one lot by Messrs.Pary & sons was rejected as inconvenient to take, 30 pieces were actuall taken in one lot from the higher tenderer which was not explained

The excess payment of Rs.131-4-0 needs to be recovered f the persons responsible.

(2) Paragraph 7(a) of audit report for 1940--41.

Loss due to rejection of lowest tender for supply of planks for crating.

The loss of Rs.126-3-9 was pending recovery.

(b) Paragraph 7(b) of audit report. Transport charges of machine

Orders of Government are awaited.

(3) Paragraph 9 of audit report 1940--41.

Loss of copper wire by theft.

The Commissioner in his proceedings R.Dis.No.6464/40 dated 4th January 1942, directed recovery of a sum of Rs.300/- from the permanent store keeper and Rs.150/- from the acting store keeper. The entire amount of Rs.300/- ordered to be recovered from the permanent store keeper was recovered. The acting store keeper has paid up to 31st ~~March~~ January 1943, a sum of Rs.75/-. The balance of Rs.75/- was being recovered in monthly instalments. ~~As regards~~ As regards the balance of Rs.912/- the question of fixing responsibility for loss on the Municipal Electrical Engineer was pending with the Chief Electrical Inspector to Government. ~~Was~~ final orders are awaited.

(4) Paragraph 10 of the audit report for 1940--41.

Security deposits from consumers.

Though in reply to this paragraph it was stated that action was being taken to obtain the necessary security deposits. No action was taken till the end of January 1943.

There were several cases where security deposits were not taken from consumers. In many cases the security amounts were adjusted partially towards service connection dues without being recouped.

(5) Paragraph 12 of the audit report for 1940--41.

Consumers deposit--Interest not allowed.

Action remained to be taken on G.O.No.4666 P.W., dated 21st December 1942 approving amendment to the booklet of conditions.

(6) Paragraph 13 of the audit report for 1940--41.

Construction operation.

Sanction for the degiation was not pointed out

(7) Paragraph 17 of the audit report for 1940--41.

Assets and Liabilities:- Sundry debtors and Creditors on account

of service connection.

The amount due to from the Municipality on account of service connection charges still remained unadjusted. Except the names of individuals and amounts no other particulars are on record. Early act should be taken to clear the old items.

(ii) Sanction of Government for diversion of capital fund to Revenue account did not appear to have been applied for.

(8) Paragraph 16 of the audit report for 1940--41.

Wages analysis books, Journals and appropriation register for loans were not maintained for 1941--42

5. Time barred items of Revenue.

(a) The following amounts were pending collection under energy charges from consumers. Suits were filed and decrees were obtained. Recovery of decretal amounts may be expedited.

1935--36	Rs. 73	3	0
1936--37	73	3	0
1937--38	48	3	0
1938--39	15	0	0
	Rs. 210	1	0

(b) Dues for 1939--40 and 1940--41 amounting Rs. 316-1-0 and Rs. Rs. 16-2-0 were pending collection.

Early steps may be taken for their collection.

6 Depreciation Reserve.

Several of the plants were sold and new ones were purchased. A depreciation Reserve for the replacement and major repairs to plan and machinery may be created by credit to net Revenue account as the concern is working at a profit. Vide paragraph 5 of G.O.No.Rs.3365 P.W.D. dated 17th September 1942.

7. Provision of Motor and Pump for District Judges Bangalow. Sanction of Government wanting.

An expenditure of Rs.750/- was incurred in providing a motor and pump for pulling out water in the District Judge's bangalow and a rent at one percent per mensem is charged on the expenditure incurred. There being no provision in the bye laws for such supplies being made at the cost of municipal Electric Licence, Sanction of Government may be obtained for admitting the charge.

8. Accounts.

II. Capital Expenditure to end of March 1942.

(d) Buildings Rs.35,883-11-0. No account or register was maintained showing the details of expenditure incurred annually.

(e) Plant:- Rs.1,39,912-9-10. The expenditure on plant was exhibited in the Electricity accounts as Rs.2,20,699/- while according to the registers maintained, there were plants to the value of Rs.1,39,911-2-10 only. The large difference of Rs.80,787-6-2 was found to be due to omission to deduct the cost of plants sold out in previous years, including erection charges. The book value was adopted in the Accounts for 1941 - 42.

(f) A sum of Rs.686/- wrongly debited to transformer in previous years was transferred to the proper head "Plant".

(g) & (h). Over head and under ground feeders Rs.1,21,241-1-7 The debit of Rs 1,21,241 to the end of 1941--42 was not supported by a detailed ledger showing the expenditure in previous years. It was explained that no account could be worked out as the previous years records were in a confused state. In that case, an account with the figures for 1941--42 may be opened

(i) Meteres and testing equipment. Rs.27,091-4-0, No account was produced for the debit. It is not known how many meters are in good conditio and how many are no serviceable for being condemned. A census of the meters may be taken and an account of the meters and testing equi ment may be made out.

(k) A sum of Rs.180/- being the cost of switch gear erroneously debited to 'Plant' in previous years was transferred to the proper he of account in 1941--42.

Capital--Receipts. The sum of Rs.80,787-6-2 representing the difference between the account figure and that as per the registers for 'Plant' was decapitalised by deduction from the receipt side of the account. The actual book value of plants sold was not known. The correct procedure in the case of plants sold is that the loss should be written off by debit to net revenue.

(ii) Revenue account.

Costs of drums sold

	817- 12- 0
	~~817/12/2~~ 0
Cost of rails sold	Rs. 69 4 0
Cost of old articles	24 12 0
	911 12 0

Information was wanting if the cost of articles was originally debited to capital or revenue. In the latter case, the credit would need to be made in Net Revenue Account.

9. Unprepared ness for audit. No register were maintained for the revenue items and it caused considerable difficulty in compiling the annual accounts.

10, The result of audit may be considered as not satisfactory.

11. The total receipts and charges for the year were Rs. 1,19,606-4-6 and Rs. 1,39,213-8-1 respectively.

12. There were 14 objections involving Rs.2,954-14-11 at the close of audit.

342
3-4-43

R.RAGAVACHARIAR,
Assistant Examiner of L.F.Accounts,
Northern Circle, Guntur.

Forwarded to the Executive Authority of Municipal Council Bellary in duplicate with the request that the report may kindly be returned within 2 months to the District Inspector of Local Fund Accounts, Bellary with your reply in triplicate duly approved by the Municipal Council for submission to Government.

(TRUE COPY)

N.Srinivasa
Superintendent,
Office of the Examiner of Local Fund Account Madras, now at Kurnool.

R SECRETARY
VII
25 MAR 1943
1319
PUBLIC WORKS DEPARTMENT
7.18.6.19

P.W.Deptt
C.E.J. Guntur
for early remarks
Asst Exr 23/3/43
22.3.43
18/3
P.W.Dept/3/19/VII/43-1
26/3/43

Examiner's Office.

Copy of the audit report on the Electric Licence Accounts of the Bellary Municipal Council for the year ended 31st March 1942 is herewith forwarded with the statutory accounts in duplicate. The original was forwarded to the Executive Authority in L.F.No.10520, dated 18-3-1943.

Deputy Examiner of L.F. Accounts.

To the Secretary to Govt., P.W. Deptt.

L. F. No. 210
M. F. No. 180

ANNUAL ACCOUNT.

Electric Licence.

Year ending 31*st March* 194 .

I. Statement as to loans authorized for the purpose of the undertaking referred to in the abovementioned licence to the end of for which accounts are made up.

Hoe & Co., Madras.

Amount sanctioned and nature of loan.		Amount borrowed.			Amount paid.			Amount sanctioned but not borrowed.		
		Rs.	A.	P.	Rs.	A.	P.	Rs.	A.	P.
Debentures.	182000/-	182000	-	-	140150	0	0			
Government loans.	89000/- Consolidated.	89900	-	-						
	95000/-	95000	-	-	67127	0	0			
-do-	95000/-	95000	-	-	4643	0	0			

Description of work.	Expenditure to the end of 1940-41.	Expenditure during the year 1941-42.	Total expenditure to the end of 41-42.
	Rs. A. P.	Rs. A. P.	Rs. A. P.
(a) To preliminary expenses (to be specified)			
(b) „ lands, including law charges			
(c) „ value of lands appropriated for electrical purposes			
(d) „ buildings and other properties	33551.	2332-15-9.	35883-15-9
(e) „ plant	193244 (182996) A	14459--0-0 80787--6-2	139913-9-10
(f) „ transformer and appliances	4660 B	688--0-0	3972-0-0.
(g) „ overhead feeders			
(h) „ underground feeders	103344. 119344	1897--1-7	121241-1-7.
(i) „ meters and testing equipment	26855.	236--4-0.	27091-4-00
(j) „ special structures			
(k) „ switch gear, fuse and lightning arresters	C	180--0-0	180-0-0-
(l) „ street lighting	23183.	567-10-0.	23750-10-0.
(m) „ service connections	17183.	832--7-7.	18015-7--7.
(n) „ tools and plant	4025.	3973-15-6.	
(o) „ general stores	2028.	2028--0-0.	
(p) „ transfer to sinking fund of value of land sold, as per contra			

Bellary-*Electric Licence.*

year ending 31-3-1942. 194

Cr.

Description of work.	Receipts to the end of	Receipts during the year	Total receipts to the end of
	Rs. A. P.	Rs. A. P.	Rs. A. P.
(*a*) By amounts raised by loans	461000-0-0.		461000-0-0.
(*b*) ,, interest on capital outlay during construction capitalized ..			
(*c*) ,, amount received as Government contribution			
(*d*) ,, value of lands belonging to authority appropriated for electrical purposes			
(*e*) ,, value of surplus lands sold			
(*f*) ,, amount transferred from Net Revenue Account ..	23061-0-0	-23061-0-0	---
(*g*) ,, other receipts (to be specified)	9092-0-0.	*5750-0-0.	14842-0-0
*By sale of surplus machinery.			
(i) Deduct cost of plants decapitalised.		- 80787-6-2.	- 80787-6-2.
Total receipts ..	493153-0-0	-98098-6-2 -108511-6-2.	395054-9-10 -6-2.

A. Aiyar
il Engineer.

A. Aaravamudan
Commissioner,
President, Panchayat Board.

A.A.—2

Dr.

No. III Revenue Account for the

	Rs.	A.	P.	Rs.	A.	P.
A. Generation—						
(a) To fuel	33124	9	3			
(b) To oil, waste, water and engine room stores	9815	2	6			
(c) To proportion of salaries of Engineers, Superintendents and officers	1328	2	6			
(d) To wages and gratuities	7067	7	8			
(e) To repairs and maintenance of—						
(i) Building	144	7	9			
(ii) Plant	3636	3	0			
(f) To other items (to be specified)	21	13	9			
Renewing cable of A.C. pump motor for lubricating oil of No.3 set.				55094	2	11
AA. To cost of Bulk power purchased						
B. Distribution—						
(a) To proportion of salaries of Engineers, Superintendents and officers	1328	2	6			
(b) To wages and gratuities	7542	4	-			
(c) To repairs, maintenance and renewal of mains—						
(i) H. T. line K.V.	111	2	-			
(ii) L.T. line						
(d) To repairs, maintenance and renewal of transformers	-	15	-			
(e) To repairs, maintenance and renewals of meters, switches, cutouts and other apparatus on consumers' premises	-374	13	6	8607-	10	0
C. Public lamps—						
(a) To attendance and repairs	638	1	6			
(b) To renewal, etc.	1591	0	8	2229	2	2
D. Rents, rates and taxes—						
(a) To rents payable						
(b) To rates and taxes						
(c) To electricity duty	9503	0	0	9503	-	-
E. Management expenses—						
(a) To salaries, etc.—						
(1) Engineers department	1771	8	-			
(2) Clerical department	3873	2	-			
(b) To general establishment charges	578	13	-	6223	7	-
(c) To commercial expenses						
F. Law charges—						
To Law expenses						
G. Other items—						
(a) To service connexions	1324	15	3			
(b) To compensation under Workmen's Compensation Act	612	5	8			
(c) To Audit fees	205	0	0			
(d) To Electrical Inspector's fees	380	3	6			
(e) To leave and provident fund contribution charges						
(f) To other sundry items (if any)				2522	8	5
Total expenditure				84179	14	6
Amount carried to Net Revenue Account				25286	1	4
Balance carried to next account to provide for bad debts				109465	15	10
Total						

T. K. K. [illegible]

Auditor.

K. S. Ayyar

Electrical Engineer.

Bellary

Electric Licence.

year ending 31st March 1940.

Cr.

	Rs.	A.	P.	Rs.	A.	P.
(*a*) By balance from last account less bad debts written off	-47	14	9			
(*b*) By sale of energy for lighting purposes	58551	6	8			
(*c*) By sale of energy for power purposes	23840	14	5			
(*d*) By sale of energy for public lighting	18462	-	6			
(*e*) By sale of energy by special contract						
(*f*) By rental of meters on consumers' premises	3221	7	-			
(*g*) By service connexions—						
Rs. A. P.						
Actual cost .. .. .. 1324-[illegible]-6. ..						
Centage .. .. .. .201-14-4. ..	1526	13	7			
(*h*) By miscellaneous receipts from consumers	* 228	12	0			
(*i*) By rents receivable	386	15	0			
(*j*) By other receipts (if any to be specified) .. .. ** ..	1066	7	3			
Attendance, Repairs and Renewals of Street lights. ...	2229	2	2			

* Fuse renewals. .. 29-4-0.
Reconnections fees ₹159-0-0.
Change of meters. 40-8-0.

228-12-0.

**

Battery charging.	2--8--0.	
Tender forms (sale).	27--0--0.	
Welding account.	52--0--0.	
Cost of drums sold.	817-12--0.	
Audit recovery.	3--0--0.	
Court cost recovered.	23--15--3.	
Costs of rails sold.	69--4--0.	
" of articles sold.	24-12--0.	
" of tools & Plant recovered.	3--6--0.	
Excess railway freight refunded by M.& S.M. Ry.Co.,	39--6--0.	
Amount refunded by Electric Engineer.	1--0--0.	
Total.	Total receipts ₹1066--7--3.	109465 15 10.

A. Macaulay
Commissioner
President, Panchayat Board.

L. F. No. 270
M. F. No. 180

IV. Net Revenue

Dr.

	Rs.	A.	P.	Rs.	A.	P.
(*a*) To interest on mortgage debt accrued due to date	32850	1	-			
(*b*) To amount transferred to Capital Account	23061	0	-			
(*c*) To payments to reserve fund where such fund is authorized						
(*d*) To Income-tax paid	- 443	12	-			
(*e*) To sum applied to local rate						
(*f*) To Interest on Capital	2455	5	0			
(*g*) To Sinking fund at....per cent on paid up capital*						
(*h*) To provision for renewals and extraordinary maintenance	***62	8	-			
(*i*) To depreciation —general reserve at....per cent on paid up capital* ..						
(*j*) To balance carried to balance sheet	...			10706	15	4
Total ..				22570	1	4.

Note.—The percentage in the above two items should be left

*** Excess credit from General funds.

Auditor. *Electrical Engineer.*

No. V. Sinking Fund

Dr.

	Stock.	Rs.	A.	P.
(*a*) To amount paid for purchase of (nature of investment to be specified)				
(*b*) To stock sold during period of account				
(*c*) To amount of principal of borrowed money repaid				
(*d*) To amount of balance to next account	--Nil--			
Total ..				

Auditor. *Electrical Engineer.*

No. VI. Reserve Fund

Dr.

	Stock.	Rs.	A.	P.
(*a*) To amount for purchase of (nature of investment to be specified) ..				
(*b*) To stock sold				
(*c*) To sum transferred to revenue account				
(*d*) To amount of balance to next account	-- Nil --			
Total ..				

T. K. L. Ramanujam
Auditor.

K. Aiyya
Electrical Engineer.

Bellary *Electric licence.*

Account.

Cr.

	Rs.	A.	P.	Rs.	A.	P.
(*a*) By balance from No. III. Revenue Account	25286	1	4			
(*b*) By balance from last account	-2757	-	-			
(*c*) By interest on money at deposit	40	3	5			
Difference between the stock balance as per account and books.	0	12	7			
Total ..				22570	1	4.

blank to be filled in by the respective undertakings.

A Raghava Rao
Commissioner
President, Panchayat Board

Electric licence.

Account.

Cr.

	Stock.	Rs.	A.	P.
(*a*) By balance brought from last account				
(*b*) By amount brought from net revenue account				
(*c*) By interest on investment				
(*d*) By value of lands transferred from Account II				
(*e*) By amount realized by sale of stock (nature of stock to be specified)	[illegible]			
(*f*) By stock purchased				
Total ..				

A Raghava Rao
Commissioner
President, Panchayat Board

Electric licence.

Account.

Cr.

	Stock.	Rs.	A.	P.
(*a*) By balance brought from last account				
(*b*) By amount transferred from net revenue account				
(*c*) By stock purchased				
(*d*) By amount realized by sale of stock (nature of stock to be specified) ..				
Total ..				

A Raghava Rao
Commissioner
President, Panchayat Board

M.F. No. 180.

No. VII. General balance sheet

CAPITAL AND LIABILITIES.

Dr.

	Rs.	A.	P.
Capital account—			
Amount received as per account No. II.	395054	9	10.
Sundry creditors—			
Deposit from consumers for service connexions	1077	12	10.
To Government Electricity department for energy charges			
Salaries and wages due	1366	1	0
Electricity duty			
Audit fees .. .. Bills pending payments.	4503	0	0.
Other liabilities .. .. Interest on mortgage debt due.	8746	0	0.
Net revenue account— Amount due to R. Fund.	20 62 91	5 8	0 2 3
Balance at credit thereof	10706	15	4.
Reserve fund accounts—			
Sinking fund for loan repayment			
Depreciation			
Special reserve			
Balance of interest on capital due			
Security deposits—			
From consumers	15241	5	5.
Invested in Post Office Cash Cer... as per contra			
From others			

Bellary *Electric Licence.*

as on 1st April 1942

PROPERTY AND ASSETS.

Cr.

	S.	A.	P.
Capital account—			
Amount expended for works as per account No. II	378592	14	6.
By stores on hand	29800	9	3.
Sundry debtors—			
For current supplied to end of the year	13810	14	7.
Other debtors—			
For plant sold on hire-purchase system			
For service connexions			
By other items (to be specified)	1383	13	10.
Securities held (cost price)—			
~~Post Office Cash Certificates of consumers held as per contra~~ Deposit.	15241	5	5.
Others, Post Office Savings Bank Pass Book			
Work in progress for service connexions			
Advance payments—			
(1)			
(2)			
Cash balance—			
In Treasury	~~2071~~	~~5~~	~~25~~
On hand			
Net revenue account—			
Balance of last year			
For the year			
Investments in Government securities—			
Depreciation fund			
Special reserve			
Total	436758 +2071	4 5	5 2

Electrical Engineer.

Commissioner.

President, Panchayat Board

Bellary *Electric Li[illegible]*

No. VIII Statement of energy generated, sold, etc.

Total energy generated in Kilowatt hours. (1)	Public lamps. (2)	By special contract. (3)	Consumers by meter for lighting purposes. (4)	Consumers by meter for power purposes. (5)	Total. (6)
6,11,089.	,18,157		1,99,355.	1,39,409	4,56,921.

ilowatt-hours ed on works. (7)	Kilowatt-hours not accounted for. (8)	Total Kilowatt-hours accounted for. (9)	Kilowatts connected for public lamps. (10)	Total consumers connected. (11)	Total Kilowatts connected. (12)	Plants installed Kilowatts. (13)	Maximum supply demanded in Kilowatts. (14)
,278.	81,800.	5,29,199.	36.04.	868.	516.078	596	240.

T. K. [illegible]
Auditor.

[illegible]
Electrical Engineer.

A Nagarajarao
Commissioner
~~President, Panchayat Board.~~

Office of the C.E.I.G.

Sub: Bellary Electric Licence -Accounts for 1941-42.
Ref: P.W.D. U.O.1319 VII/43-1 dated 26-3-43.

With reference to the above, the accounts of the Bellary electrical undertaking for 1941-42 have been scrutinized and the following remarks are submitted:-

The accounts under review relate to the 15th year of operation.

The important features of working are as extracted below.-

	1941-42.	1940-41.
1. Total capital expenditure upto the end of the year.	.. Rs.3,78,593	Rs.4,37,069
2. Gross Profit.	.. " 25,286	" 33,100
3. Revenue from electric supply	.. " 1,00,854	" 1,03,075
4. Net profit + or —	.. " 10,707	—Rs. 2,757
5. Total units generated.	.. 6,11,079	5,86,840.
6. Total units sold.	.. 4,56,921	4,46,961.
7. Total number of consumers.	.. 868	823.
8. Maximum demand in K.W.	.. 240	193.5

Financial position. - From the figures furnished above it would seem at first sight that the undertaking has to its credit a sum of Rs.10,707 as net profit at the end of 1941-12 as against a net-loss of Rs.2,757 at the end of 1940-41. But a closer scrutiny of the revenue account ar the net revenue account for 1941-42 shows that in fact a net loss of Rs.9,978-4-8 has been sustained in 1941-42, the total revenue expenditure and revenue receipts being Rs.1,19,485-4-6 and Rs.1,09,506-15-10 respectively. The apparent high figure of Rs.10,706-15-4 as balance standin to the credit of net revenue account 1941-42 is chiefly due to book adjustments of transactions relating to previous years.

No.II - Capital Account.

The sum of Rs.16,461-11-4 representing the capital balance at the end of 1941-42 is reported to have been utilised for the purchase of stores and to meet the defic in the revenue expenditure. Diversion of capital balance for these purposes without the prior approval of Governme is irregular. Purchase of stores should be made out of ordinary revenues or from temporary advances from the General Funds of the Municipality, if the funds in the electrical undertaking are inadequate. Deficit in the revenue expenditure should ordinarily be made good from the general funds of the Municipality.

The sum of Rs.80,727-6-2 exhibited on the Cr.side against item (i) represents the difference between the account figure and that as per the registers for 'Plant', and which has been de-capitalised by deduction from the receipt side of the account. The correct procedure to be adopted in the case of plants sold away is to deduct their entire book value from the item "Plant" The resultant ~~xxxxxxx~~ loss should be exhibited separately on the Assets side of the General Balance Sheet till it is written off in easy instalments by debiting the net revenue account. The Commissioner ~~may be~~ instructed to follow this procedure and make the necessary adjustments in the accounts for 1942-43, in consultation with the audit department, if necessary. B

No.IV - Net Revenue Account. M.12-12 cont

The amount of 'principal' paid towards all the loans during the year under review should be exhibited separately on the Dr. side of No.IV - Net Revenue Account. The rate of interest, the number of instalments and the G.O. sanctioning each of the loans, should find a place in No.I - statement. C

General Balance Sheet.

It has been reported that as the consumers' cash security deposits were diverted to meet the deficit that occurred in previous years, the same could not be invested in interest-bearing securities. The attention of the licensee is invited to G.O.No.1116 P.W.D. dated 11-4-42. D

C.E.I.G.

19 6 43

To The Secretary to Government,
Public Works Department, u.o.
Madras.

Encls: 1 set of accounts, &
1 copy of audit report.

C.E.I.G.U.O.No.A.46/41-4
363 dated 18.6.43.

CNL/GS.18.6.

P.W. Deptt
The comments replies to the audit report & the Examiners' further remarks are awaited. The Examiner may be reminded
Draft exchange reminder submitted
24/6/43 24/6/43 24/6/43

reminded 24/6/43.

C.E.I. Gen 24/6/43

aa11 Examiner's Offi

19

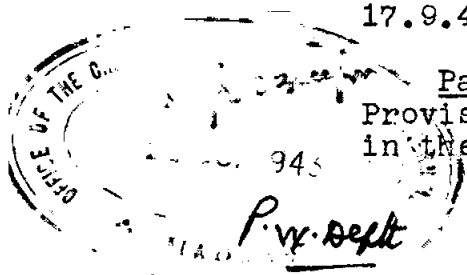
Sub: Audit Report-Electric Accounts
Bellary Municipal Council 41-4

Forwarded to the Secretary to Govt. P.W. (Elec.) Department with copies of he Commissioners replies and resolution of the Council.

Para 6: of the Audit Report: The reply does not meet the objection. The Commissioner may be required to open a depreciation reserve fund from 1942-4 as ordered in G.O.No.3365 P.W dated 17.9.42 and to report the fact.

Para 7 of the Audit Report: Provision for the levy of hire charges in the byelaws seems necessary.

Rikaglavachari
15/6/44
Assistant Examiner of Local Fund Accounts.



P.W. Dept

C.E.I. Gives for early remarks.

28/6/43
28/6/43

P.W. Dept. 1319 VII/43-2
24/6/43

Replies to the Audit Report for 41-42 on the Accounts of the Bellary Municipal Electric License Scheme.

Para 6. Since the annuity is paid out of the Re venue no Depreci ation Rese rve will be opened after the loans are liquid ated

Para 7. The Govt. in G.O.No.5257 hav e observed.that the written agreements should b e obtained. The cons umers to w h om the pumps have been hired have agreed for the co nditions presc ribed by the Council. Regular agreements will be taken as required in th e G.O.from all.

(True copy)

Pro. of the Municipal Counc il Bellary passed at its ordi nary meeting hel d on Monday the 31st May 1943 at 6p.m.Ml Office.

75. Read the Audit Report on the accounts of the Bellary Electric License Scheme for 1941-42 and replies thereto for appro val.

Resolutio n

a p p r o v e d.

Sd/. Chairman

Copy of Proceedings No.2517/42 dated 3rd May 1943 of the Chief Engineer(Electricity).

Sub:- Theft of materials from stores of the Bellary Municipal Electrical undertaking -Orders.

Ref:- From the Commissioner, Bellary Municipality, letter No. R.C.No.Fl. 3688/42 dated 2-6-42.
2. From the C.E.I.C.No.L...275 dated 5-4-43.

After a careful study of the documents furnished by the Commissioner Bellary Municipality, relating to the loss of materials from the Stores of the Bellary Municipal Electrical undertaking, the Chief Engineer for Electricity is convinced that no charges of contributory negligence can be laid against Sri.T.S.Jayarama Ayyar the then Electrical Engineer of the undertaking, and is therefore pleased to acquit him of the charge.

The action of the Muhicipal Council in withholding the transfer of a sum of Rs. 900/- from the Provident Fund of the Municipal Electrical Engineer to Coimbatore on his transfer there, is not in order. The C.E.E.accordingly requests the Commissioner, Bellary Municipality, to remit back to the Provident Fund Account of Sri.T.S. Jayarama Iyer the amount withheld together with interest thereon at once.

Sub: Bellary Electric Licence - Accounts for 1941-42 - Audit report and replies thereon - Remarks submitted
Ref: P.W.D.U.O.1319-VII/43-2 dated 24-6-43.

Sub paras (4), (5), (7)(i) of para 4 and para 8 (i).

The licensee's replies may be accepted.

Sub para 7 (ii) of para 4.- This is being dealt with separately in this office with reference to P.W.D.U.O.1071-VII/43-1 dated 8-3-43.

Paras 7 and 8 (ii) - (Revenue Account). I endorse the suggestions of the Examiner.

"Capital receipts" and Items 8(d), (g), (h) and 9. - A reply should be furnished by the licensee for each of these items.

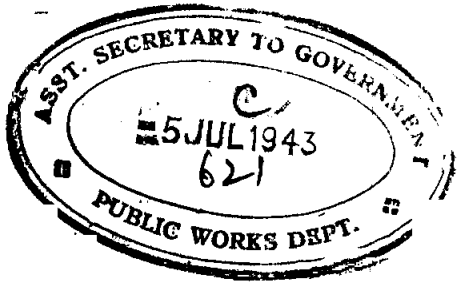
Para 6. I agree with the views of the Examiner that as a general financial policy the creation of a depreciation reserve fund for wear and tear of plant and machinery, replacement and major repairs is essential. Though at first sight the net revenue account for 1941-42 would show that the undertaking has to its credit a sum of Rs.10,707 at the end of 31-3-42, yet a closer scrutiny of the revenue account and the net revenue account for 1941-42 shows that in fact a net loss of Rs.9,978 has been sustained in 1941-42, the total revenue expenditure and revenue receipts being Rs.1,19,485 and Rs.1,09,507 respectively. I would therefore suggest that in this case the provision for depreciation may be deferred

till the undertaking is nearer the profit-earning stage.

To The Secretary to Government, Public Works Department, u.o.

Encls: 1 copy of audit report, with
------ replies and the Municipal
Council's resolution.

C.E.I.G.U.O.No.A.46/41-42/438
dated 1-7-43.



Govt 1895 A 15 7-45. F.W. Wyse

Elec. Bellary Elec Licence - Accts for 1941-42 - Recorded with remarks

From the Examiner of L.F. Accts No L.F. 10619 Dated 22-3-43.

From the C.E.D. Lg. No. A. 46/41-42/363 Dated 15-6-43

From the Examiner of L.F. Accts No L.F. 2097 Dated 21-6-43

From the C.E.D. Lg No. A. 46/41-42/438 Dt 1-7-43

Recorded

1. No II Capital Account. Here type A & B cards 17-18

2. Net Rev Acct. Here type C card 18 Cf.

3. General Balance Sheet. Here type D card 18 Cf.

4. Audit Report & the Councils' replies.

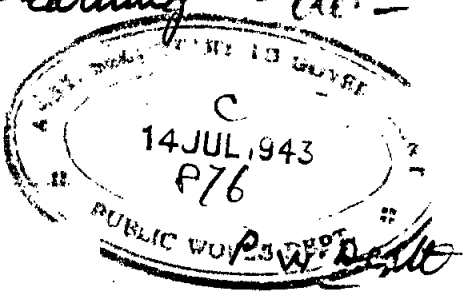
(i) Paras 7 & 8(ii) (Rev Acct). The Govt agree with the views of the Examiner of L.F. Accts.

(ii). Capital Receipts & Items 8(d), (g), (h) & 9. A reply the

be furnished by the licensee for each of these 2-9 items.

(iii) The Para 6 commendation of the C.E.D.G pp 29-30 C2 that provision for depreciation may be deferred till the undertaking is nearer the profit-earning stage, is accepted.

9/7/43 9/7/43 W.D 9/7/43 C.T



b The Comptroller, Bellary may thus be informed accordingly.

" C.E.D.G (2 copies) 10/7/43

" Examiner of L.F. Accts

(Copy to Secretariat for information)

12.7.43 12/7/43

L.A.D may see

9/7/43 9-7-43 L.A.D

P.W.D.Secn 1819/43-3 10/7/43.

L.A.D

Minute to P.W.D

Issue 10/7/43

12 JUL 1943
15962
SECRETARIAT, MADRAS

8/1/13/7 Vers P.W.D

L.A.D No 15962-1

GOVERNMENT OF MADRAS

Abstract

ELECTRICITY - Bellary Electric Licence - Accounts for 1941-42 Recorded with remarks.

Public Works Department
G. O. No. Ms. 1395, dated the 15th July 1943.

Read the following:

From the Examiner of Local Fund Accounts, No.L.F.10619 dated the 22nd March, 1943.

From the Chief Electrical Inspector to Government, No.A. 46/41-42/363 dated the 18th June, 1943.

From the Examiner of Local Fund Accounts, No. L.F.2097, dated the 21st June, 1943.

From the Chief Electrical Inspector to Government, No.A. 46/41-42/438 dated the 1st July, 1943.

O R D E R:

R e c o r d e d.

2. No. II. Capital Account:

The sum of Rs.16,461-11-4 representing the capital balance at the end of 1941-42 is reported to have been utilised for the purchase of stores and to meet the deficit in the revenue expenditure. Diversion of capital balances for these purposes without the prior approval of Government is irregular. Purchase of Stores should be made out of ordinary revenues or from temporary advances from the General Funds of the Municipality, if the funds in the electrical undertaking are inadequate. Deficit in the revenue expenditure should ordinarily be made good from the general funds of the Municipality.

The sum of Rs.80,787-6-2 exhibited on the Cr. side against item (i) represents the difference between the account figure and that as per the registers for 'Plant', and which has been de-capitalised by deduction from the receipt side of the account. The correct procedure to be adopted in the case of plants sold away is to deduct their entire book value from the item 'Plant'. The resultant loss should be exhibited separately on the Assets Side of the General Balance Sheet till it is written off in easy instalments by debiting the net revenue account. The Commissioner is instructed to follow this procedure and make the necessary adjustments in the accounts for 1942-43, in consultation with the audit department, if necessary.

3. Net Revenue Account:

The amount of 'Principal' paid towards all the loans during the year under review should be exhibited separately on the Debtor Side of No.IV - Net Revenue Account. The rate of interest, the number of instalments and the Government Order sanctioning each of the loans should find a place in No. I - Statement.

4. General Balance Sheet:

It has been reported that as the consumers' cash security deposits were diverted to meet the deficit that occurred in previous years, the same could not be invested in interest-bearing securities. The attention of the licensee is invited to G. O. No. 1116, P.W.D., dated the 11th April 1942.

5. Audit Report and the Council's replies:

(i) Paragraphs 7 and 8(ii) (Revenue Account)

ment agree with the views of the Examiner ofLocal Fund

(ii). Capital Receipts and items 8(d).(g).(h) and 9

A reply should be furnished by the licensee for each of these items.

(iii). Paragraph 6. The recommendation of the Chief Electrical Inspector to Government that provision for depreciation may be deferred till the undertaking is nearer the profit-earning stage, is accepted.

(By Order of His Excellency the Governor)

C. K. VIJAYARAGHAVAN.
Secretary to Government.

To the Commissioner, Bellary Municipality
through the Chairman, Municipal Council.
To the Chief Electrical Inspector to Government.(2 copies)
To the Examiner of Local Fund Accounts.

True Copy/Forwarded/ By Order

Superintendent.